



HEALTH REFORM IN 2013

September 2013

What Iowans on Medicare Need to Know

It is important to understand how the Affordable Care Act changes will affect your health care coverage.

Medicare Part D - Closing the Donut Hole

A significant change that is being phased in is closing the coverage gap or “donut hole” in Medicare Part D. When Medicare was created, you paid 100% of your costs for brand name and generic drugs when you hit the donut hole. As a result of health reform, each year the amount you pay will be gradually decreasing until the donut hole is closed in 2020. In 2013, when you reach the coverage gap, you pay 47.5% for brand name drugs and 79% of the cost for generic drugs. In 2014, when you reach the coverage gap, you will continue to pay 47.5% of the cost of brand name drugs and only 72% of the cost for generic drugs.

Health Insurance Marketplace - Why do people on Medicare care about the Marketplace?

The Marketplace is a new option for health coverage and may benefit people you know, such as:

- A spouse who is not eligible for Medicare yet or
- Someone who is on Medicare because of disability or End Stage Renal Disease and who loses eligibility for Medicare and needs health insurance

However, the Health Insurance Marketplace was not designed for individuals who are enrolled in Medicare, and no Marketplace subsidies or tax credits are available for Medicare beneficiaries. Generally, Iowans on Medicare should not make changes to their Medicare supplement coverage because of the Marketplace. Be wary of anyone who suggests you change your Medicare supplement coverage because of the Marketplace and health reform. It's also important to understand that the Marketplace will not affect your Medicare Parts A and B coverage.

Marketplace - Special Protections do not Apply to Medicare Supplements

While Marketplace plans guarantee coverage regardless of pre-existing conditions, sex or age, it is important to understand that this protection does not apply to Medicare Supplements. You get a guaranteed right to purchase a Medicare Supplement during your six month Open Enrollment period which is triggered when you enroll in Medicare Part B at age 65 or older. After your Medicare Supplement Open Enrollment period, insurance companies can turn you down for coverage for health reasons. They can also charge you higher rates because of your health and require a waiting period for pre-existing conditions.

Both Marketplace plans and Medicare Supplements are guaranteed renewable. This means as long as you pay the premium they cannot drop your coverage.

When can you enroll?

Like Medicare, the Marketplace only permits individuals to enroll or change plans during specified enrollment periods.

Medicare Part D & Medicare Advantage	Marketplace
Annual Open Enrollment Period October 15 – December 7, 2013	Open Enrollment Period October 1, 2013 – March 31, 2014
Starting in 2014 - Annual Enrollment (for both) October 15 – December 7	

The open enrollment periods for Medicare Part D and the Marketplace overlap. It is **VERY IMPORTANT** for people on Medicare to realize that the Medicare Open Enrollment Period is not as long as the Marketplace Open Enrollment Period. Enrollment for Medicare Part D ends on **December 7**, not March 31.

Who can help?

SHIIP is here to help you any time you have questions about Medicare and health insurance related to Medicare. If you have questions about the Marketplace, Navigators and Consumer Application Counselors will provide assistance to consumers about the application process and health plans offered in the Marketplace.

People on Medicare	People Using the Marketplace
SHIIP	Navigators, Consumer Application Counselors
1-800-351-4664	1-800-318-2596
www.therightcalliowa.gov	www.healthcare.gov